



Market Report

Week Ending June 25, 2021

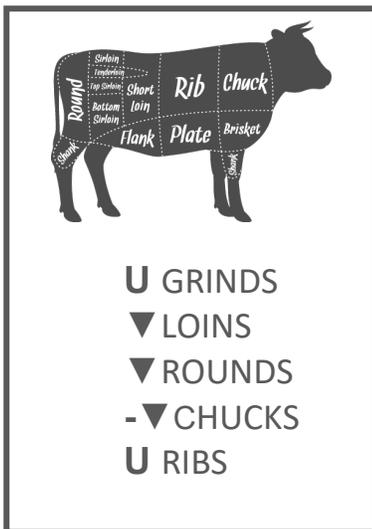
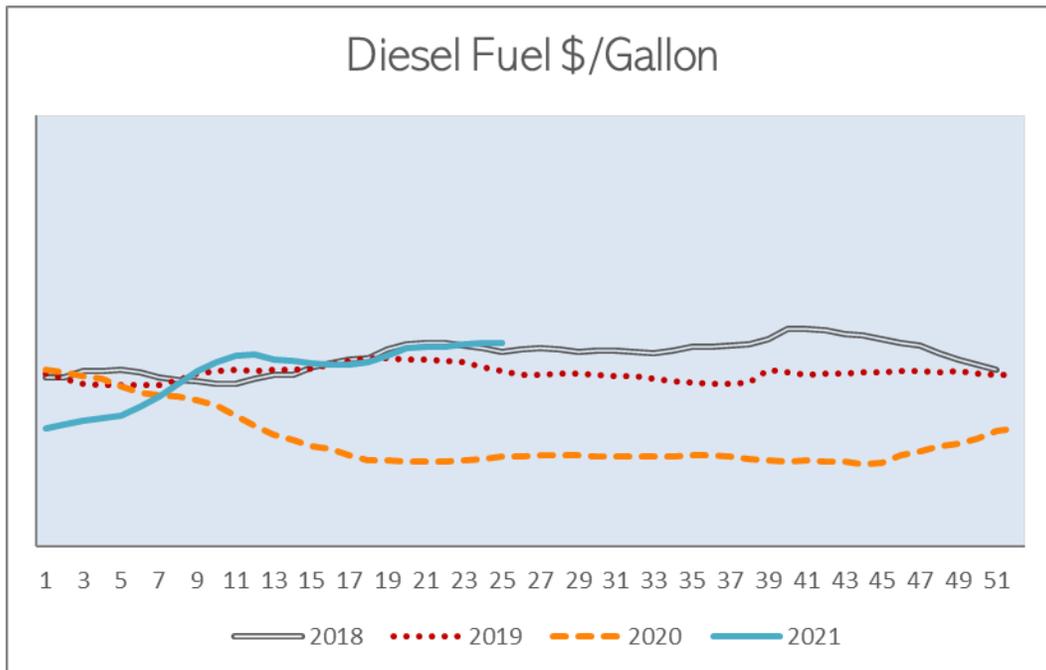


Graphs represent data for the week ending June 18, 2021



LOGISTICS

Tender rejections by carrier base have been on the decline in early June, indicating softening market conditions at a time when we have historically always seen conditions tighten. The Weekly DAT load to truck ratios show that conditions in the spot market were tighter earlier in May but have moderated into early June across all equipment types. The biggest obstacles for truckload supply recovery continue to be semiconductor shortages, causing delays in new truck production and ongoing driver availability issues. Elevated contract rates may result in a shift of volume from spot to contract, but the freight isn't going anywhere. Inventories are still depleted, which is leading to record-setting import levels and causing logistics opportunities with freight moves for shippers near ports.



BEEF

Market is mixed. Total beef production for last week was down 0.5% versus prior week and was up 1.9% compared to same time last year. Total headcount for last week was 663,000 as compared to 646,000 for the same week last year. Live weights for last week were down 3 lbs. from prior week and down 6 lbs. from same time last year. Production has improved from the past few weeks that had seen the shortened holiday week as well as the lighter production seen from the JBS plants. The market has seen large price swings over the past several days with multiple cuts seeing the market ease from the recent extremes that we have seen for multiple weeks. The gap in pricing between Select and higher grades has increased again this week on multiple cuts resulting in much larger price decreases on select as compared to other grades on several items. This is a result in the

current grading percentage of Select and higher grades. Production issues continue to be a concern with lack of available labor causing concern at multiple plants.

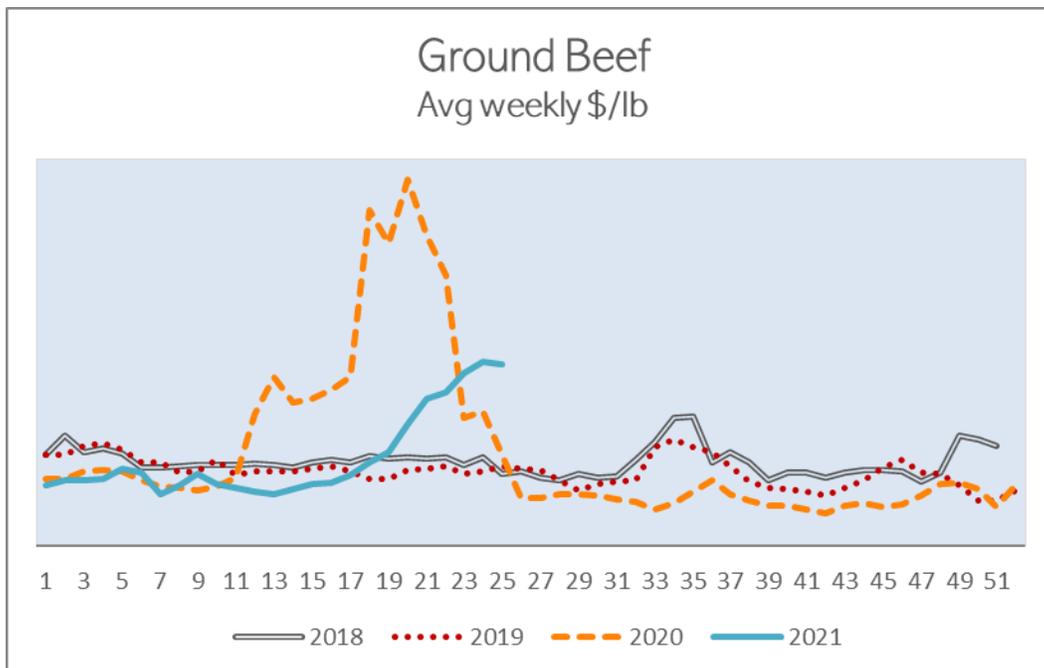
Grinds- Market is unsettled. Buying interest for the upcoming holiday is good and this combined with the lighter production over the past few weeks has helped to keep the market at higher levels. This week has seen pricing more mixed between the suppliers based on availability. Overall availability remains light, and allocations have been common.

Loins- Market is weaker. Buying activity has been lighter compared to earlier this month and this is helping to put pressure on the market. Buying activity is typically seasonally lighter as we move past the 4th of July.

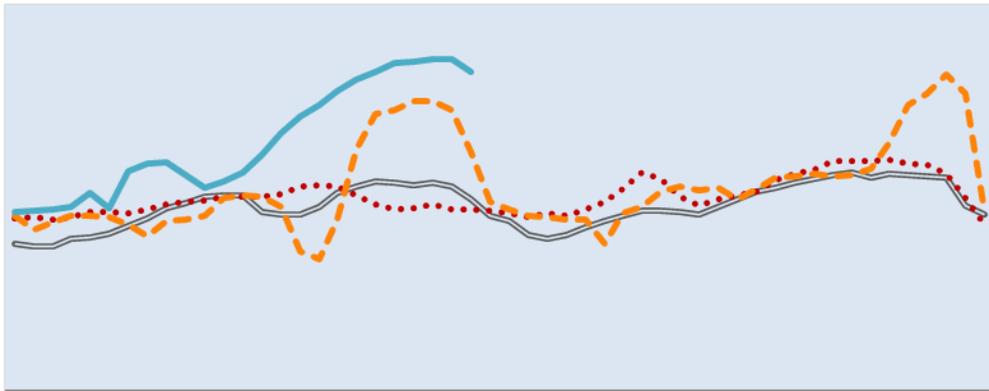
Rounds- Market is weaker. The market had been holding well above seasonal norms but has eased lower of the past few days.

Chucks- Market is steady to weaker. Buying activity has eased compared to prior weeks and this is helping to take pressure off the market.

Ribs- Market is unsettled. The market has seen large drops the past few days as demand eases from the brisk pace seen over the past several weeks. Demand is typically seasonally lighter once we move past the 4th of July. Large gaps in prices between Select and higher grades have developed were as just a few weeks ago pricing was on par with each other.



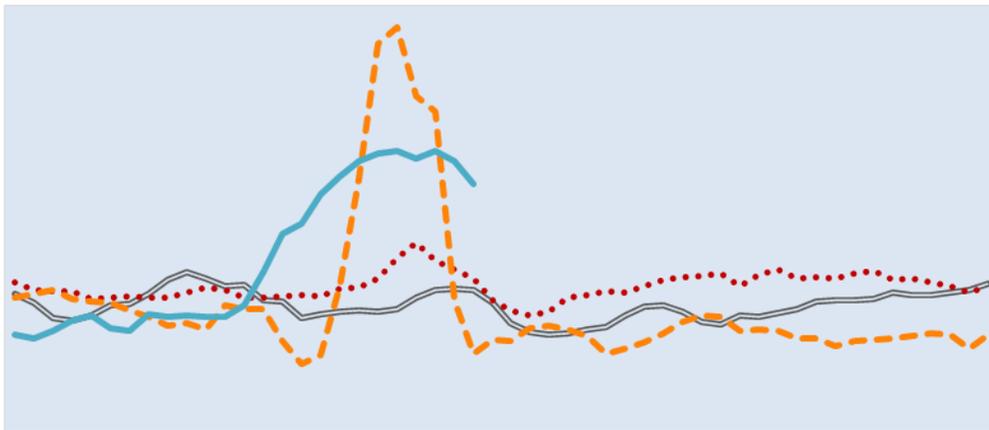
Choice Ribeye Heavy Avg weekly \$/lb



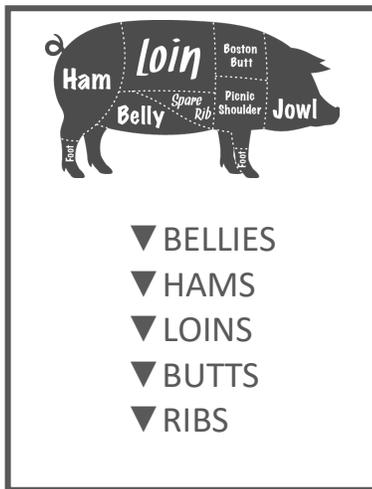
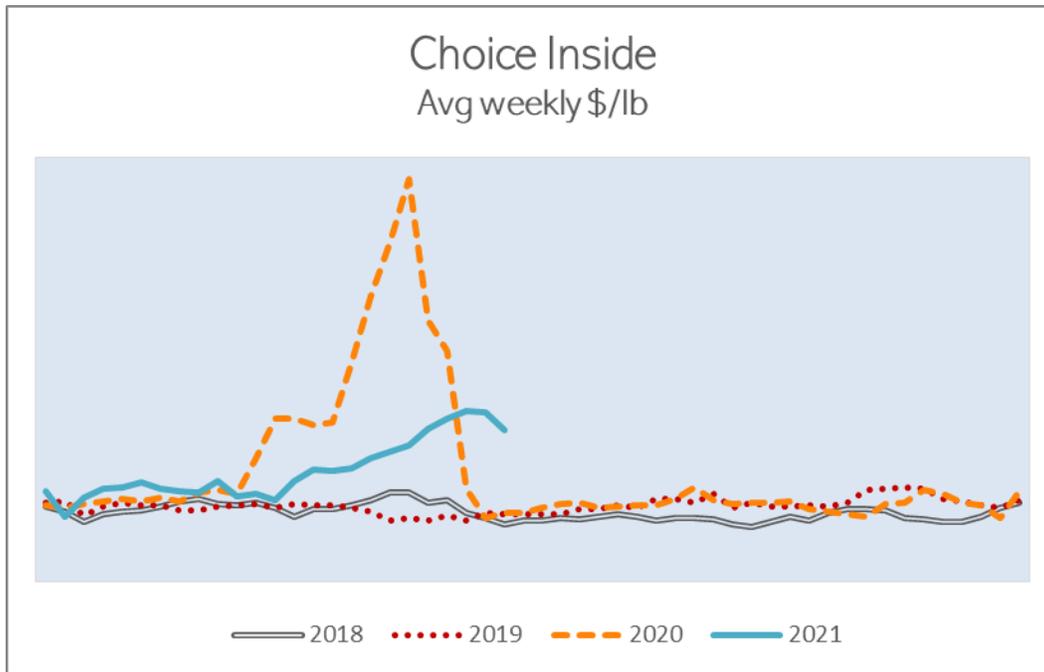
1 3 5 7 9 11 13 15 17 19 21 23 25 27 29 31 33 35 37 39 41 43 45 47 49 51

— 2018 ··· 2019 - - - 2020 — 2021

Choice Brisket Avg weekly \$/lb



— 2018 ··· 2019 - - - 2020 — 2021



PORK

Market is weaker. Total pork production for last week was up 0.2% versus prior week but was down 5.7% compared to same time last year. Total headcount for last week was 2,443,000 as compared to 2,593,000 for the same week last year. Live weights for last week were even with prior week and up 1 lb. from same time last year. Demand has been very good on multiple items and has continued to help push the market higher on multiple cuts for several weeks. This trend has reversed with multiple cuts seeing large decreases in the market from just a few days ago as lower demand has helped to take pressure off record high prices. Even with the large decreases multiple items are still at elevated levels. Demand typically seasonally moves lower once we move past the 4th of July. Labor issues continue to be a concern at multiple plants along with transportation challenges.

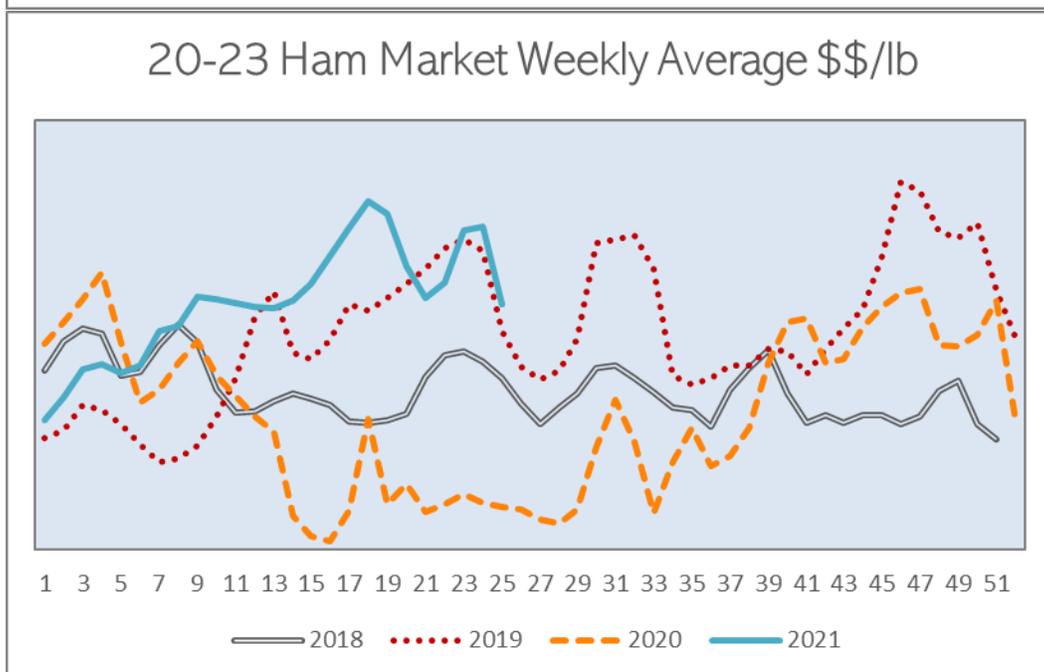
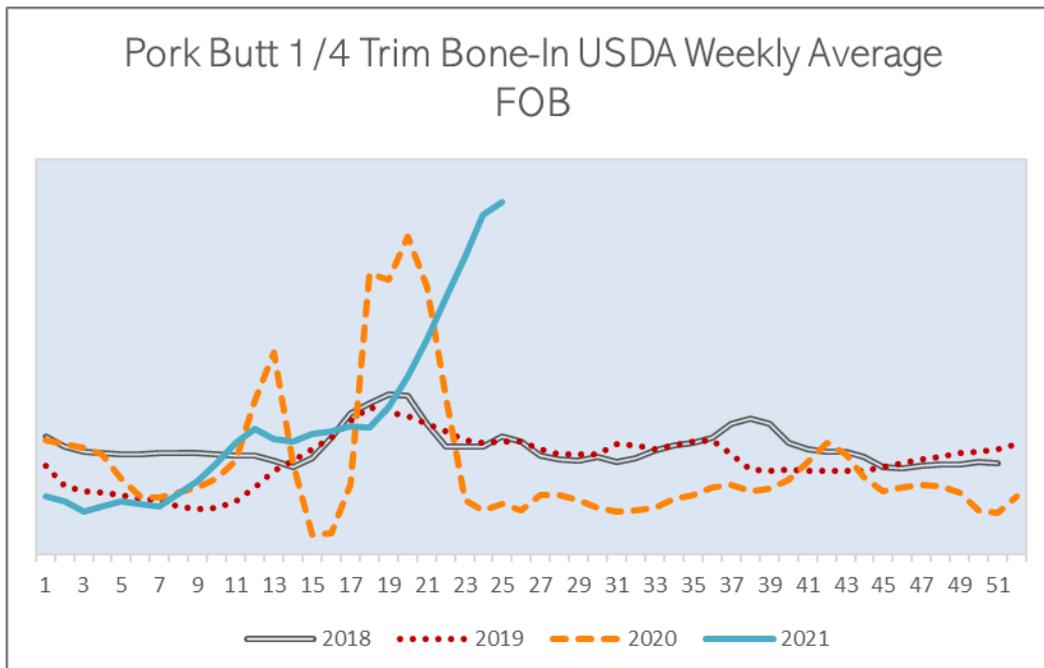
Bellies- Market is weaker. The market has moved much lower over the past few days as the recent pricing extremes has helped to slow overall demand. Demand is typically seasonally good as we move through the summer. The market is expected to be more unsettled as we move through the coming weeks due to the limited available labor for processing and production typically drops over the coming weeks.

Hams- Market is weaker. The market has pushed higher for multiple weeks but started moving lower last week as availability improves and demand eases from the strong pressure seen over the past several weeks. Exports have been strong this year helping to keep pressure on pricing for much of the year. The past few weeks has seen that demand softening.

Loins- Market is weaker. Improving production and a softer demand has helped to take pressure off the market.

Butts- Market is weaker. Seasonal demand has been very good and keeping pressure on the market for several weeks. The easing of dining restrictions coincided with typical strong seasonal demand ahead of BBQ season and kept upward pressure on the market. The market has eased over the past few days but remains at very high levels.

Ribs- Market is weaker. The market has seen multiple days of downward pressure, but the current market remains well above normal levels for this time of the year. Retail demand has been strong for several weeks and expected to remain good as we move closer to the 4th of July. Foodservice buying activity has surged over the past several weeks as buyers look to cover their needs as additional restrictions are lifted across the country. Ribs in cold storage are down over 30% and are at their lightest numbers in almost a decade. The record high pricing has helped to slow buying interest and is helping to put pressure on the market.





CHICKEN

Market is steady to weaker. Total headcount for last week was 167,805,000 as compared to 161,890,000 for the same week last year. Average weights for last week were 6.38 lbs. as compared to 6.41 lbs. for the same week last year. Chick placements on fryers for week ending 7/24/21 are estimated at 164.0 million headcounts. Placements for previous week were 163.7 million and same week last year was 150.1 million. Retail and foodservice volume is reported to be average to light. Demand for bone-in breasts, boneless breasts, and wings is soft. Activity on WOGS is steady while business on tenders and dark meat is vibrant. Export demand for leg quarters and whole legs remains adequate. The supply side is still trying to overcome labor issues and subpar plant output. Floor stocks are sufficient to light depending on the plant. Market levels are unsettled as some categories are holding firm and some categories trending lower.

WOGS- Market is steady. Fast food and retail deli activity remains steady to fair. Smaller sizes are clearing well, but larger WOGS are starting to slow a bit as more spot loads hit the market. Supply is more in balance with demand.

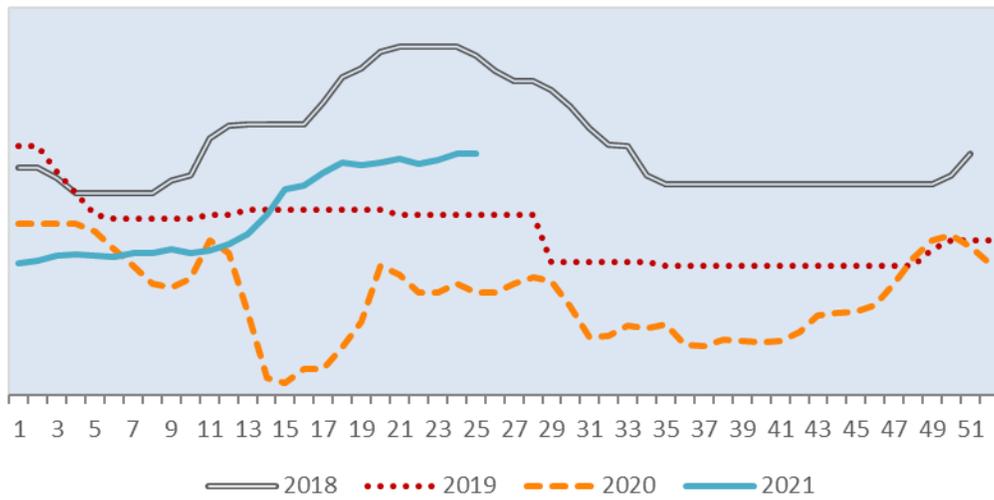
Tenders- Market is firm. Foodservice and QSR demand remain strong and continues to keep the category well supported. Supply is limited by a lack of portioning due to labor issues. Market levels are at the highest levels seen in recent years. Trading levels are trending mostly flat.

Boneless Breast- Market is weaker. Retail, foodservice, and QSR demand continue to show signs of a correction. Supply is becoming more available. Select sizes are still sought after, but medium and jumbo sizes are showing weakness.

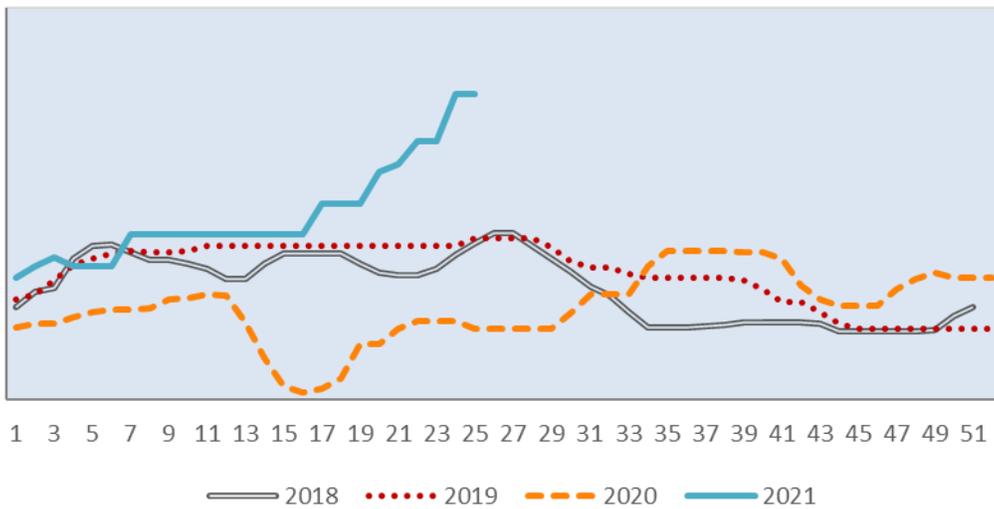
Leg Quarters and Thighs- Market is steady to firmer. Export activity for leg quarters remains steadfast. Domestic retail demand for drums and thighs remains adequate. Whole legs are well supported by the leg debone processors. Demand for boneless skinless thigh meat remains strong while supply is limited by debone production constraints. Supply is tight on bone-in parts and boneless skinless thigh meat is in short supply.

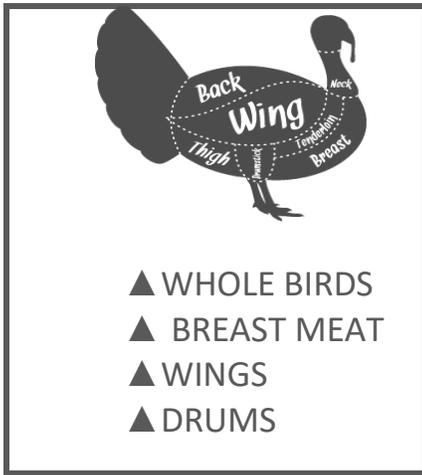
Wings- Market is weaker. Foodservice demand continues to correct downward, hence medium and jumbo sizes are being pressured lower. Further processors are starting to have better access to small wings. Supply is more available on all sizes.

Chicken Plant Grade, 2 1/2 lbs & up Avg Weekly \$/lb



Chicken Tenders Avg Weekly \$/lb





TURKEY

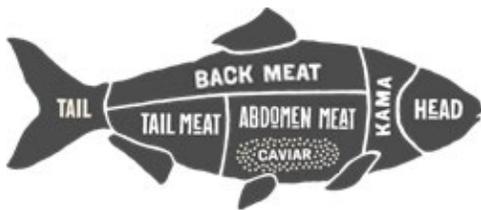
Market is steady to firm. Total headcount for last week was 4,026,000 as compared to 3,969,000 for the same week last year. Average weights for last week were 31.15 lbs. as compared to 31.58 lbs. for the same week last year. The market for frozen whole birds remains status quo with Toms and Hens in a sold-out position with very few spot opportunities being shown to the marketplace. Demand for breast meat, white trim, and tenders continues to be fair to good. Domestic demand for parts is moderate to good on drums, thighs, and wings. Lack of labor remains a major issue on the production side of the business. Reduced production and floor stocks has most categories undersupplied. Product shortages and allocations continue to be reported. Supply for whole birds is extremely limited, parts remain tight, and white meats are tight.

Whole Birds- Market is firmer. Hens and Toms remain in a sold-up position. Spot loads are few and are being held with confidence. Supply is tight.

Breast Meat- Market is firmer. Foodservice and retail deli volume is trending strong due to peak seasonality. Supply remains tight due to lack of labor and white meats remain constrained. Shortages continue to be reported.

Wings- Market is steady. Domestic demand for 2 joints is moderate and export demand for whole wings remains stable. Supply is clearing well with Tom sizes more preferred.

Drums and Thigh Meat- Market is firmer. Domestic and export volume for drum and thigh parts is fair to good. Boneless thigh meat well supported by consumer demand for ground turkey. Supply is limited on bone in parts and thigh meat.



SEAFOOD

Gulf Shrimp- Market is firm. Inventories are limited for an active demand. Inventories have been light for several months and allocations have become commonplace. The past few weeks have seen the market move sharply higher on all sizes and species due to the very limited inventories.

Black Tiger Shrimp- Market is firm. Inventories are limited for a strong demand. Allocations to orders should be expected. The surge in Foodservice demand is putting pressure on larger sized shrimp inventories and the market has seen price increases across all sizes for several weeks. Production costs and logistical concerns are putting pressure on the market. Delays on imports are putting additional pressure on this market.

White Shrimp- Market is firm. Inventories are limited for an active demand. The lack of container availability combined with overall logistical challenges is putting a large amount of pressure on the market. Allocations to orders should be expected. Shrimp imports are trending higher but the strong demand for both retail and foodservice are keeping inventories limited.

King Crab- Market is firm. Inventories are limited for an active demand. Global demand is strong and putting pressure on the market.

Snow Crab- Market is firm. Inventories are limited for an active demand. New season product out of Canada is making its way into the market but the surge in demand is keeping inventories very limited. Foodservice demand has been strong as additional dining restrictions were lifted across the country. Demand is expected to be very good over the coming weeks.

Warm Water Lobster Tails- Market is firm. The market has continued to push higher over the past several weeks as the active demand is keeping pressure on limited inventories. Low production the past few years and seasonal closures are keeping pressure on availability. Allocations to orders are common due to the limited inventories.

North American Lobster Tails- Market is firm. Demand continues to improve and putting pressure on very limited inventories. Seasonal plant closures combined with poor fishing conditions have caused more limited availability. Shorts and allocations to orders should be expected. Production in Canada has been lighter and will soon come to a seasonal end.

Salmon- Market is mixed. Demand has been improving over the past few days and putting pressure on product from multiple growing regions. Availability of product from Europe has become lighter over the past few weeks due to an improved demand. The market for product from Chile is starting to see upward pressure due to an improved demand. The market for wild salmon is mixed between species with limited availability.

Cod- Market is firm. Product out of the Pacific is seeing inventories concerns with a strong demand that was seen during Lent and limited available inventories in the market. Foodservice demand is very good. There also delays with production coming back out of China putting additional pressure on the market.

Flounder- Market is steady to firmer. Production issues and delays out of China are causing issues for the market.

Haddock- Market is steady to firmer. Inventories are light for an active demand. Increased tariffs combined with higher production costs and more limited inventories are putting pressure on the market. Shipping delays are adding additional challenges to the market.

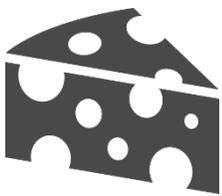
Pollock- Market is steady to firmer. Larger sized product is in limited supply due to recent catches being more on smaller sized fish. Production delays in China are putting additional pressure on the market with reports of port delays backing up shipping lanes.

Domestic Catfish- Market is firm. Inventories have been limited for several months and the easing of dining restrictions across the country has put additional pressure on the market. Allocations remain commonplace and are anticipated as we move through the summer. Inventories are limited on all sizes and well below current demand. Supply issues with imported product is putting additional pressure on the market.

Tilapia- Market is firmer. Higher production and logistical costs are putting pressure on the market. Shipment delays on product coming out of China are expected over the coming weeks. Buying activity has been very good and keeping pressure on already light inventories.

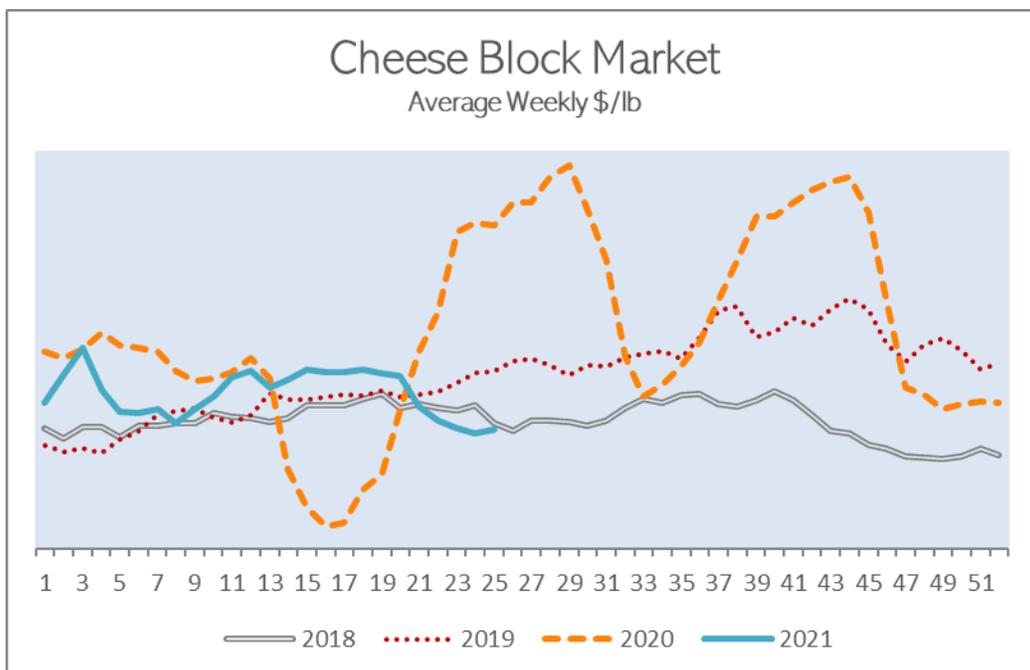
Swai- Market is firmer. Foodservice demand continues to improve across the country, and this is putting upward pressure on the market. Logistical concerns remain an issue with higher freight costs and longer lead times on both ocean freight and trucking. Inventories have become more limited with larger sizes seeing the most pressure. Farmers have been trying to turn their ponds faster to keep up with demand and this is resulting in smaller sized fish.

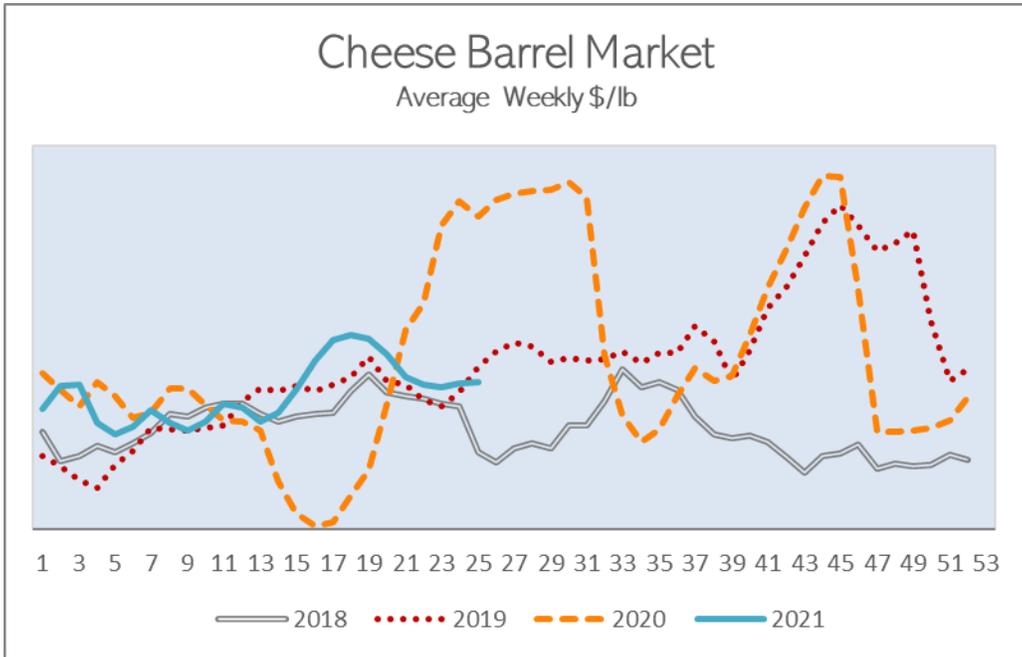
Scallops- Market is mixed. The market for larger sized domestic product is firm with increased demand keeping pressure on the market. Inventories of U/10 product are very limited with record high pricing. New season fishing has begun but reports are showing expectations of inventories issues as we move into the summer. The brisk demand is keeping inventories from building and keeping continued pressure on the domestic market. The market for imports is steady to firmer with product from Japan expected to be limited until new season product arrives later this summer while product from China continues to see shipping delays.



DAIRY Cheese

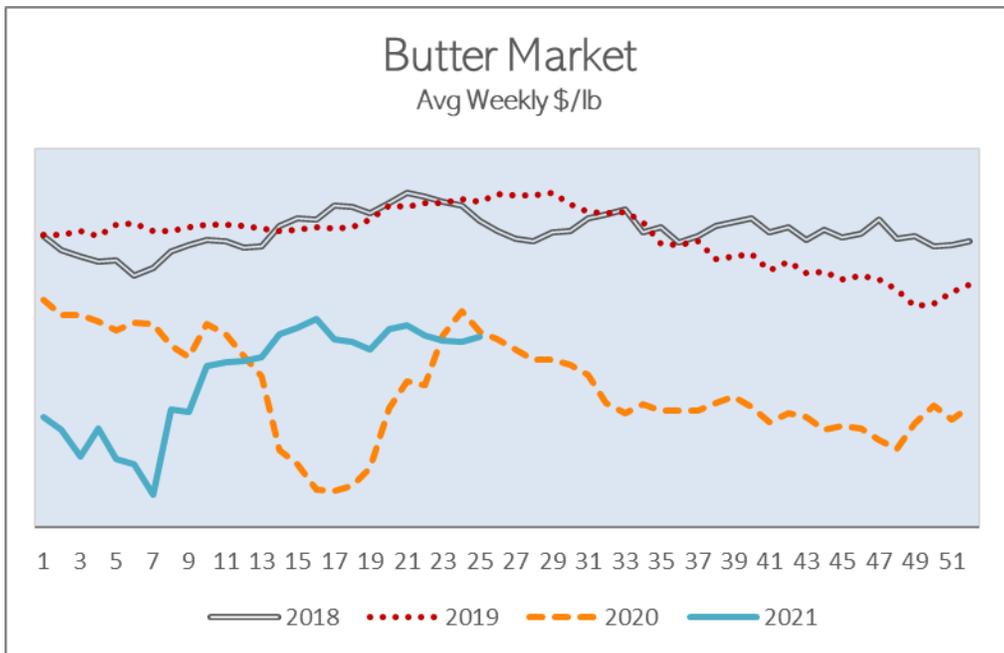
Market is weaker. The CME Block market started off this week lower and has inched higher as this week has progressed but keeping below the prior week average. The CME Barrel market started the week off lower and has also inched slightly higher as the week progress but remains lower than prior week. Milk production has been very good for several weeks across most of the country and helping to keep cheese production going strong. The Dairy Cattle Herd expansion is helping to improve overall production. Domestic cheese prices have been favorable versus the global market and export interest has been very good over the past several days. Transportation issues continue to put pressure on the market with higher freight costs and delivery schedules. The severe drought conditions across the west combined with the extreme temps are a concern for production over the coming weeks.





Butter

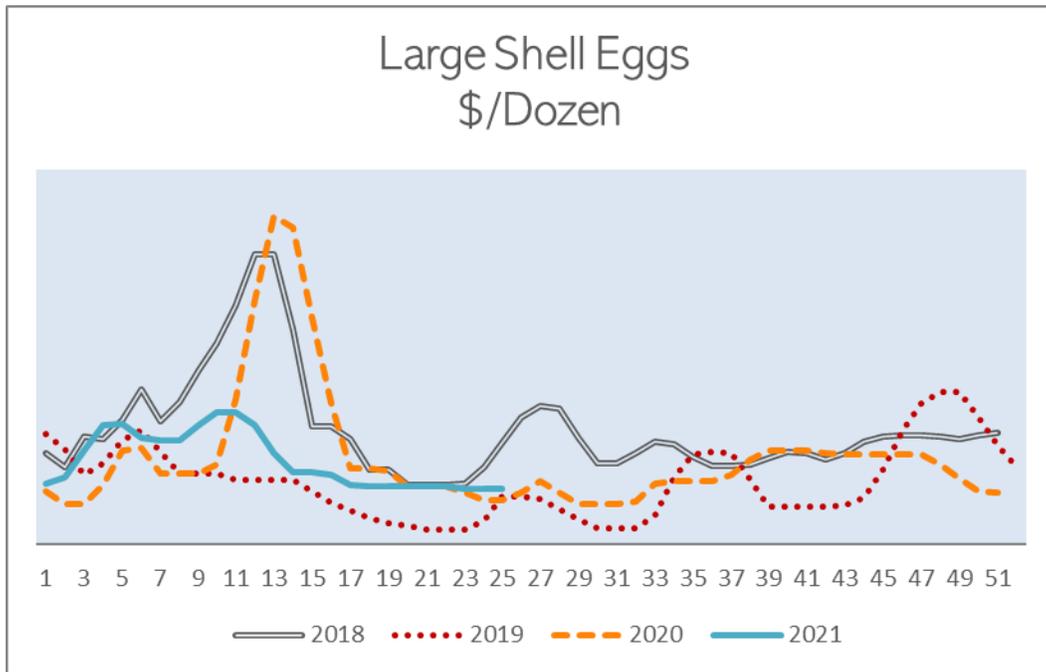
Market is weaker. The CME Butter Market has moved lower as this week has progressed. Production has been good with the improved dairy herd numbers helping improve total output. Overall inventories have been building with the strong production numbers. Retail demand has been lighter while Foodservice demand remains very good. Domestic butter prices continue to trend lower than global prices making it attractive for export opportunities. Recent reports show that through March butter exports have been trending well ahead of both 2019 and 2020 levels.





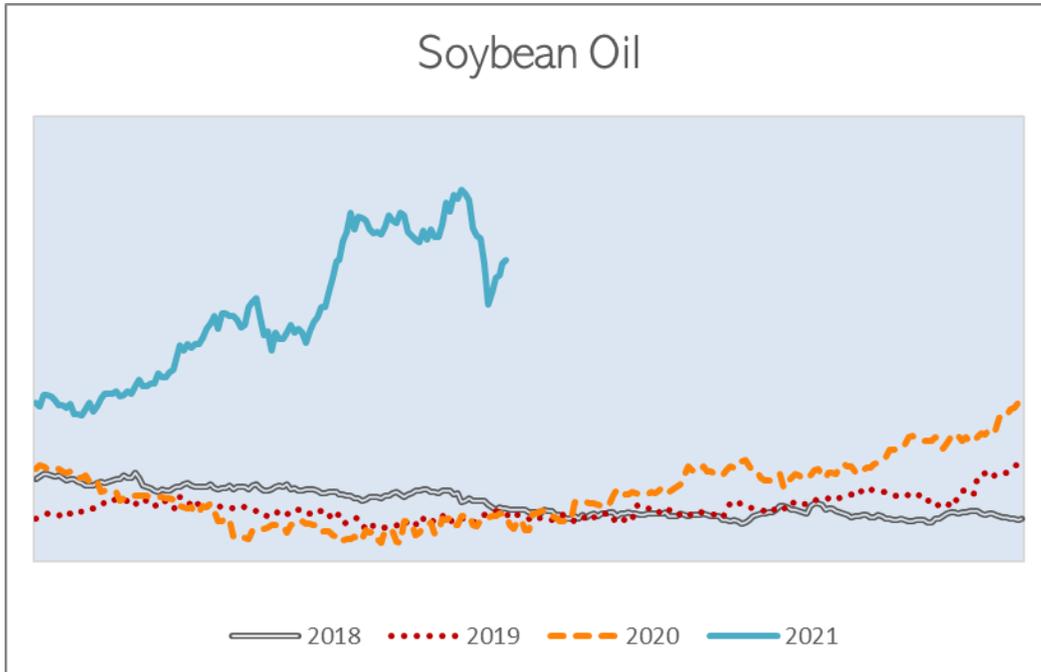
EGGS

Market is steady. Retail activity across the nation is reported as moderate to good in most regions. Regional promotions remain limited. Foodservice demand is reported to be moderate to good. Fast food sales remain adequate for this time of year. Supply is available on both medium and large sizes. Market is trending flat on medium sizes and on large sizes. National weekly shell egg inventory reports shell egg inventory up 2.2% over last week.



SOY OIL

Market is firmer. Soybean markets and futures have been trending higher for the last week. Some reports are starting to surface that crop conditions in the United States have declined a bit and are below the 30-year average. Soybean demand continues to outpace supply at the current time. Allocations on soy oil and other related products continue to be reported across the United States. Based on current trends, this shortage situation could continue through the summer. Soybean supply remains tight in the United States and South America. Foodservice demand for oil is strong and bio-diesel activity continues to add pressure. However, biodiesel is becoming more unpredictable due to the overall strength of veg oil compared to diesel prices. Export demand has tapered off a bit due to the higher premiums in relation to the South American product offerings. The planting season in the United States is almost completed and now attention turns towards future weather forecasts.



CANNED GOODS (DOMESTIC)

Several factors are going to come into play for the outlook on costs for domestic canned goods for the 2021 pack season. Produce costs are up over last year driven by the price of soybeans and field corn. The cost of steel is in tight supply and will have a direct impact on the cost on #10 cans. Labor is in high demand and driving costs up as well as freight is higher than last year.